

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

April 21, 2011

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 11HD-033

Hawaii

Sale of Lease at Public Auction for Intensive Agriculture Purposes, Hakalau-Iki, South
Hilo, Hawaii, Tax Map Key: 3rd/2-9-02:47

REQUEST:

Sale of lease at public auction for intensive agriculture purposes

LEGAL REFERENCE:

Sections 171-14, -14.5, -16, -17 and other applicable sections of Chapter 171, Hawaii
Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Hakalau, South Hilo, Hawaii, identified by Tax
Map Key: 3rd/2-9-02:47, as shown on the attached map labeled Exhibit A.

AREA:

6.793 acres, more or less, subject to confirmation by the Department of Accounting and
General Services, Survey Division.

ZONING:

State Land Use District: Urban
County of Hawaii CZO: RS-7.5

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES

CURRENT USE STATUS:

Encumbered by Revocable Permit No. S-7647, Yun Yen Huang, Permittee, for agriculture purposes.

CHARACTER OF USE:

Intensive agriculture purposes

LEASE TERM:

Thirty (30) years

COMMENCEMENT DATE:

The date of sale if the current occupant is the successful bidder, otherwise, sixty (60) days after the date of sale; provided that if such date is not on the first day of any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.

MINIMUM UPSET ANNUAL RENT:

To be determined by staff or independent appraisal establishing fair market rent, subject to review and approval by the Chairperson.

METHOD OF PAYMENT:

Semi-annual payments, in advance.

RENTAL REOPENINGS:

At the 10th and 20th years of the lease term, by staff or independent appraisal.

PERFORMANCE BOND:

Twice the annual rental amount.

PROPERTY CHARACTERISTICS:

Utilities – Water, Electricity, Phone
Slope - 0 to 10%
Elevation – 120 feet

Rainfall – 120 to 200 inches mean average rainfall
SCS Soil Series – Hilo and Wailea - moderately fine
Land Study Bureau – C: fair
Legal access to property – Staff has verified that there is legal access to the property off of Mamalahoa Highway.
Subdivision – Staff has verified that the subject property to be auctioned is a legally subdivided lot.
Encumbrances – Staff has verified that the following encumbrances exist on the property:
Revocable Permit No. S-7647

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

See Exemption Notification attached as Exhibit B.

REMARKS:

This property was formerly encumbered under General Lease No. S-5598 to Pat and Aude Bravo. The lease was cancelled by the Board at its meeting of August 12, 2010 under agenda item D-6 for failure to keep lease rent current and other defaults. The character of use for the lease was intensive agriculture. Previously, the property was used for sugar cultivation under leases to the sugar companies and private individuals.

Under the current County zoning regulations for single-family residential use (RS-7.5) crop production is an allowed use. This is consistent with the past use of the property as it was in sugar production for many years and most recently, intensive agriculture.

The property is currently encumbered under Revocable Permit No. S-7647 to Yun Yen Huang for agriculture purposes. The Permittee wishes to continue utilizing the property on a long-term basis. The Permittee understands any long-term lease will be offered through the public auction process. Although County of Hawaii zoning for this property is RS 7.5, residential use on this property will not be permitted by the DLNR.

Various Federal, State and County government agencies were solicited for comments with no objections or negative comments to the proposed disposition.


The HDLO staff believes this request and the intended use of these State lands should be exempted from the preparation of an environmental assessment because the intended use is consistent with past use of the property. Prior to the most recent intensive agriculture use, the land had been in sugar cultivation for many decades. Such use has resulted in no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

RECOMMENDATION: That the Board:


1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Find the area to be an economic unit in terms of the intended use.
3. Find that the subject area is not suitable for hunting, nor will it become so during the term of the lease.
4. Authorize the sale of a lease at public auction covering the subject area for intensive agriculture purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current intensive agriculture general lease form, as may be amended from time to time;
 - b. Within the first 2 years of the lease term, the land under lease shall be utilized for the purposes for which the lease is sold, all in accordance with a conservation plan approved by the Chairperson;
 - c. Residential use is not permitted;
 - d. Review and approval by the Department of the Attorney General; and
 - e. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

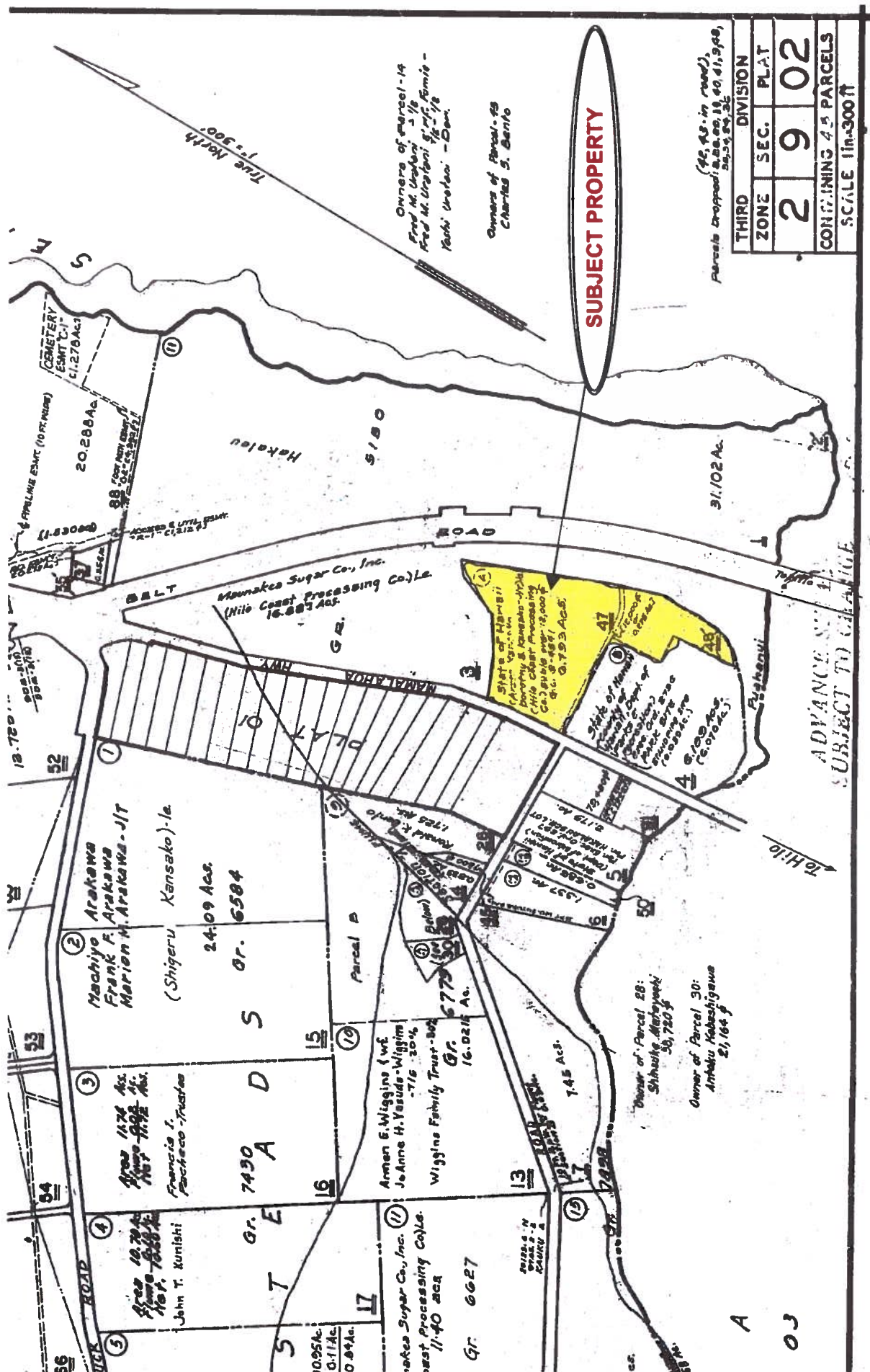
Respectfully Submitted,




Gordon C. Heit
Land Agent

APPROVED FOR SUBMITTAL:


William J. Aila, Jr., Chairperson

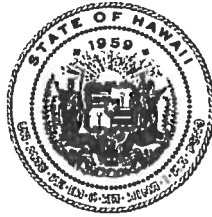


Hakalau

EXHIBIT A



NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

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CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

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KAIKOLA WISLAND RESERVE COMMISSION
LAND
STATE PARKS

EXEMPTION NOTIFICATION

From the preparation of an environmental assessment under the authority of Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Request for Sale of Lease Land for Intensive Agriculture Purposes.

Project Number: PSF No. 11HD-033

Project Location: Hakalau, South Hilo, Hawaii, Tax Map Key: 3rd/2-9-02:47.

Project Description: The requested parcel was previously leased under GL S-5598 for intensive agriculture purposes. The lease was cancelled due to default in payment. The land is currently encumbered under a revocable permit. The Permittees wish to continue utilizing the land on a long-term basis under a new lease at public auction.

Consulted Parties: None

Exemption Class No.: In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment under the following:

Exemption Class No. 1, which states, "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

EXHIBIT "B"

Recommendation:

It is anticipated this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.



William J. Aila, Jr., Chairperson

4/11/11

Date